We want to give them the best that is possible. We want our terms to be attractive enough so that investors come here... *(Interruptions)...*

SHRI JAGDISH PRASAD MATHUR: He says that there is no policy. But in the written reply to the next question, lie has said that there is a policy... *(Interruptions)...*

SHRI GURUDAS DAS GUPTA: Mr. Chairman, will you direct the hon. Minister to reply?*...(Interruptions)...*Will you ask the hon. Minister to clearly state the poisition of the Government? He cannot say that there is no policy. If there is a Government, there should be a policy. If there is no Government, there cannot be a policy. He must tell us about his intentions. He must tell us what he would like to do and what he would not like to do. How can he say that there is no policy?

CAPT. SATISH SHARMA: Sir, I have clearly said that our strategy is to make it attractive for the foreign companies to come and invest in India. We have competition all around us, whether it is China or the United States or Vietnam. All these countries are competing in the same industry. Therefore, we are trying to make investments from the foreign companies to be attractive and to be competitive. That is our policy.

SHRI GURUDAS DAS GUPTA: you will do it at the national cost. Mr. Chairman, he is saving a very dangerous thing. The hon. Minister does not understand the implications. He is only saying that in order to make foreign investment lucrative, they are going to do away with all the regulations and they are going to exempt them from the cess. It is a very serious thing. It is an absurd situation. It is an absurd situation. Kindly protect our rights. He cannot say like that.

SHRI SURESH KALMADI: It is not Zero Hour...*(Interruptions)...*

MR. CHAIRMAN: Let us give a chance to the Minister.

CAPT. SATISH SHARMA: Sir, let me clarify the matter. The whole strategy has been to get foreign investments in exploration area. The first round of discovered fields were given only because no exploration capital was coming to India. The first round, the second round, the third round and the fourth round were failures. That is why we started the whole programme of discovered fields*...(Inter' ruptions)...The* terms pricing or royalty or*...(Interruptions)...*The reason for this was because the countries around us were having similar policies. But we were not able to get the exploration capital here.

SHRI TRILOKI NATH CHATUR-VEDI: At least now, the Minister can tell us his policy*...(Interruptions)...*

MR. CHAIRMAN: The next question is also related to this. Now, Question No. 584-Shri Ajit Jogi. He is not present.

*584. [The Questioner (Shri Ajit P.K. Jogi) was absent, for answer *vide col-.....infra.]*

MR. CHAIRMAN: Question No. 585.-Shri V. Hanumantha Rao. He is also absent.

*585. *[The Questioner (Shri V. Hannumantha Rao.) was absent. For answer vide col. .....infra.]*

MR. CHAIRMAN: Question No. 586.-Shri G.G. Swell. He is not present. Shri Chimanbhai Mehta.

Gas Supply through Oman Gas Pipeline

*586. SHRI G.G. SWELL:
SHRI CHIMANBHAI MEHTA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that two billion cubic feet gas supply through sub*ea-gas pipeline is not feasible;

(b) if so, what is the factual position as on date;

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†'The Question was actually asked on the floor of the House by Shri Cheman-bhai Mehta.

(c) whether it is also a fact that 20 years of gas supply from Oman would require 14.6 Trillion cubic feet gas while reserves are at 20 CTF by 1994;

(d) who is going to pay for construction for Oman sub-sea pipeline;

(e) what is the gas purchase formula and whether the estimated 5 billion dollar project of Oman Gas Pipeline is a joint venture or exclusively an Omanese venture; and

(f) what is the international price of 1000 cubic meter gas?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (CAPT. SATISH SHARMA) (a) to (c) The Phase-II of the feasibility study for the Oman India Sub-Sea Pipeline is in progress. The study includes the confirmation of adequate gas reserves in Oman and the solution of outstanding technological problems.

(b) The sub-sea pipeline will be financed, constructed and operated by Oman.

(e) The price of gas will be linked to the international prices of a basket of crude and products in terms of a formula \r be mutually agreed. The mode of implementing the project will be decided by Oman.

(f) Unlike crude oil, natural gas does not have an "International Price".

SHRI CHIMANBHAI MEHTA: Mr. Chairman, Sir, in reply to part (e) of the question, the Minister has stated that the price of gas will be linked to the international prices of a basket of crude and products. Now I would like to put it in a simple manner. What is this linkage formula? At the moment, if I rightly recollect, the price of one thousand cubic metres of gas was put at Rs. 3,000/-. I want to know, as a layman, what its price would be now. You are talking about the linkage formula of gas to a basket of crude and products. But a common man has to understand this. If today its price is Rs. 3,000/- per one thousand cubic metres, what would be its price to be charged by the Oman Gas Pipeline and at what price would it supply to the consumer?

CAPT. SATISH SHARMA: Sir, I think the hon. Member relates the question to the Oman Gas Pipeline and the prices which we are negotiating with them for the gas. Before coming to the final agreement called the long-term gas supply agreement which is yet to be signed, according to the principal terms, the present formula will form part of the long-term supply contract. In the principal terms, what has been agreed to is that there will be a lower price, an intermediate price and a ceiling price. That is the cap. Now, this will be based on a basket of crude oil, fuel oil and other petroleum products in the long-term gas supply contract. Actually, the price shall change between the maximum price and the minimum price mentioned above, based on the formula of using a basket of crude oil, fuel oil and other petroleum products, to be mutually agreed upon in the long-term gas supply contract. These negotiations are going on. Our team is going now to discuss this commercial aspect of the prices. It is leaving shortly. As I mentioned earlier, the Oman-India gas pipeline is very much on schedule. The latest reports that we have received tell us that the technical and other issues that were pending, are progressing satisfactorily. We are now reaching this crucial stage wherein we have to negotiate the pricing formula. And, I request the House not to press any further on this issue because this is a highly sensitive issue and there should be...

SHRI GURUDAS DAS GUPTA: What is this?

CAPT. SATISH SHARMA: ...no discussion on figures or numbers at this stage in the House. *(Interruptions)*.

SHRI GURUDAS DAS GUPTA: Sir, why is it sensitive? *(Interruptions)*

SHRI S. JAIPAL REDDY: Sir, this Ministry may be declared as a sensitive Ministry.

SHRI CHIMANBHAI MEHTA: Sir, my first supplementary has not been answered. You can easily understand it.

MR. CHAIRMAN: The Minister has said that at this stage he cannot say as to what the price would be.

SHRI CHIMANBHAI MEHTA: No. He has answered that. But if he had said that he could not disclose anything, I could have understood. But he has given some formula which I do not understand much. I am putting my question in a very simple manner. If I am paying Rs. 3,000/

per 1,000 cubic meters today, what would I have to pay when I would be consuming the gas from Oman? This" Is *a* simple thing that I am asking. I am not ft technical person and I do not know what the crude oil basket is and what the petroleum basket is.

CAPT. SATISH SHARMA: Sir, the price of natural gas is valid only till the end of this year. We have already set up a committee which is going into the matter of what the price should be, including that of the domestic gas that we produce here. So, it will be difficult for me to answer it before we decide the price with Oman because the price of natural gas is valid only till the end of this year. We have a committee which is going into this whole pricing issue. We will get a report very soon as to what the prices are going to be. As soon as we reach that conclusion, I shall share it with the House.

SHRI CHIMANBHAI MEHTA: Sir, please bear with me. I have given just an example and asked, if I am paying Rs. 3,000/- today, what I would have to pay later, and he is sticking to just one point that he is going to change the formula. So, nay question does not have any validity. *(Interruptions)*

MR. CHAIRMAN: It is not fair and, on a hypothetical question, he cannot calculate on the spur of the moment.

SHRI CHIMANBHAI MEHTA: I am saying that...

MR. CHAIRMAN: You please ask your second supplementary.

SHRI DIGVIJAY SINGH: Sir, he has already asked it.

MR. CHAIRMAN: He has already asked. Thank you. Shri Digvijay Singh, please.

CAPT. SATISH SHARMA: Sir, I think the hon. Member has mixed up this issue. The fact is that the Oman-India pipeline is coming through the international borders.

That is why this pipeline which is of twin pipes of 24 . inches diametre, each of which is going to be laid at places where the depth of the sea is over 3,000 metres'—more than 10,000 feet. This pipeline is coming from Oman to India direct through international waters, nowhere it enters into the territorial waters of Pakistan.

श्री दिग्विजय सिंह: मेरे सैकिंड पार्ट का, ईरान वाले पार्ट का, तो आपने जवाब ही नहीं दिया। ...(व्यवधान)

No, He did not say about the. ...*(Inter ruptions)...* ”

Are you a Minister? ...*(Interruptions)...*

MR. CHAIRMAN: The question is about pricing. ...*(Interruptions)...*

DR. BIPLAB DASGUPTA: Sir, I have gone through the answer given by the Minister to the question that has been raised and there the Minister says that the price of gas will be linked to international prices of a basket of crude and petroleum products in terms of a formula. What I am saying is this; You are dealing with natural gas and the prices are going to be fixed not in relation to the price of natural gas, but in relation to the prices of crude oil and the prices of other products. As far as I know, many countries in North Africa and West Asia produce gas in addition to oil and they do

supply oil to many countries in Europe. They must be having a certain formula for working out the price of gas and not relating it either to the prices of oil *or* the crude products. So, I am very sorry to say that it is a basket of crude and products and not of gas. I want to know whether the Ministry has taken any care to find out the prices of gas of comparable variety in that region and then to compare it with the price that has been asked for. I am mentioning this because the last part of the answer is confusing. There the Minister says, "Unlike crude oil, natural gas does not have an international price." What is the international price of crude oil? It is all a confusing answer. So, what I am saying is this that he should give the answer, whether the Ministry has considered the FOB prices of gas in that region at which the gas is supplied to the European countries. Secondly, I want to know whether the comparative cost of these ventures is being compared with the comparative cost of similar ventures for bringing.gas from Assam and Tripura to other parts of the Eastern region.

CAPT. SATISH SHARMA: Sir, let me first give an idea to the hon. Member who is a very knowledgeable person in the field of petroleum. I understand his backgrtound. To give you an idea of the existing gas prices in the overall global market, I am talking about dollar for million BTU prices, for example, India—HBJ is dollar 1.32, in the USA it is dollar 1.70.

DR. BIPLAB DASGUPTA: I am not asking about it. ...*(Interruptions)*

CAPT. SATISH SHARMA: The point I am making is that it is not right to go into the details. A basket of oil and other petroleum products which has been taken is a reference point, that means, today the crude prices are at one level—today the crude prices are at 18 dollar a barrel. In the past the crude prices had gone up to 20 dollars a barrel. This, amongst other factors, is taken as one of the reference points so that we have a baud in case the prices fluctuate. ...*(Interruptions)*...

DR. BIPLAB DASGUPTA: Sir, I am asking a different question. What was the natural gas price in that region? Why crude oil price? Why not the natural gas prices in that region? I am not asking about the prices in USA. That does not interest me. I want to know about the price of natural gas in Algeria, in Libya, in other countries in that vicinity, which do produce natural gas and send it to many countries of the world. Why has the Minister not mentioned about it?

CAPT. SATISH SHARMA: Sir, I think, the Member is not aware that as in the case of petroleum products, as in the case of crude, you have a spot price. Today, do you know what the spot price of petroleum products is? ...*(Interruptions)*. ..

DR. BIPLAB DASGUPTA: Sir, there cannot be a spot price for gas.

CAPT. SATISH SHARMA: The prices of natural gas depend upon location. There is no fixed formula. ...*(Interruptions)*...

MR. CHAIRMAN: Please listen. Let him say what he wants to say. ...*(Interruptions)*...

CAPT. SATISH SHARMA: Sir, I am reiterating what I have already said. As in the case of crude oil and petroleum products, in the case of natural gas...

MR. CHAIRMAN: The Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

इलाहाबाद जंक्शन पर जाली टिकटों की बिक्री

***581. श्री लक्ष्मीराय अग्रवाल: क्या रेल मंत्री यह बताने की कृपा करेंगे कि:**

(क) क्या यह सच है कि उत्तर रेलवे के इलाहाबाद जंक्शन के कुछ आरक्षण लिपिकों द्वारा जाली टिकटों की बिक्री करने के मामले की जांच सतर्कता विभाग द्वारा पूरी कर ली गई है; और